

MILLCREEK TOWNSHIP
FY 2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM GUIDELINES

Millcreek Township is “entitled” to apply for and receive an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD) pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended.

The Township was designated a HUD entitlement in 1998 when its population went over 50,000 persons and since then has received approximately \$5 million in CDBG funds (**see Exhibit 1**).

CDBG monies are to be used to undertake activities which address community development and/or housing needs as identified in the Township’s Five Year Consolidated Plan (CP) and which principally benefits low-to-moderate income persons.

The Township’s CDBG program is administered by the Erie County Department of Planning (ECDP).

FY 2017 ALLOCATION

The Township’s FY 2017 CDBG allocation is unknown at this time but for the purpose of this application process it is anticipated that the grant will be approximately \$230,000.

HUD allows up to 20% for administration. Approximately 12.5% or \$28,750 of the grant will be set aside for general program administration which as noted above will be provided by the ECDP.

Additionally, approximately 7.5% or \$17,250 of the allocation will need to be set aside to hire a consultant later this year to prepare a new Five Year Consolidated Plan (CP) for Fiscal Years 2018 – 2022 and an Action Plan for FY 2018. *Given this scenario, there would be approximately \$184,000 available for projects.*

ELIGIBLE APPLICANTS

Agencies, groups and organizations which assist residents of Millcreek can apply for a share of the grant dollars.

APPLICATION DEADLINE

The deadline to submit an application for funding consideration is Friday, March 10, 2017. An original and one (1) copy of the application should be forwarded to:

Erie County Department of Planning
150 East Front Street, Suite 300
Erie, Pennsylvania 16507
Attn: Joseph T. Berdis

GENERAL REQUIREMENTS

To qualify for funding consideration an applicant needs to show that its project is: (1) an Eligible Activity; (2) meets a National Objective of the program; and (3) addresses a Community Need as identified in the Five Year Plan.

Eligible Activities

CDBG funds can be used to undertake a wide array of activities (**see Exhibit 2**) which include, but are not limited to:

- water, sanitary sewer, and storm sewer construction
- street rehabilitation/reconstruction
- sidewalk and curb replacement including removal/replacement of curb-cut ramps
- park/recreation improvements
- removal of architectural barriers to provide handicapped accessibility
- housing rehabilitation
- homeownership assistance
- fair housing activities
- public services (*not to exceed 15% of the grant allocation*)
- program administration (*not to exceed 20% of the grant allocation*).

National Objectives

Each “Eligible” activity must meet one (1) of the following three (3) “National Objectives”:

- Principally benefit low-to-moderate income persons.
- Aid in the prevention or elimination of slums or blight.
- Meet a community development need having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet the need.

Of the three (3) objectives, the primary objective is to **Principally Benefit Low-to-Moderate Income (LMI) persons**. It is very rare to qualify a project under Slums or Blight or Urgent Need.

A **LMI person** is an individual whose income is no more than 80% of median income for the area as determined by HUD, based on a four-person family and adjusted upward or downward for larger or smaller families (**see Exhibit 3 for current income limits**).

The criteria for how an activity may be considered to benefit Low-to-Moderate Income persons can generally be categorized as follows:

- (a) **Low Mod Area Benefit (LMA)** – An “area benefit” activity is one that benefits all residents in a particular area, where at least 51% (*) of the residents are LMI persons.

The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. Typical area benefit activities include street rehabilitation; water and sewer line replacement; and curb/sidewalk replacement.

* HUD permits an exception to the LMI area benefit requirement that an area contain at least 51% LMI residents. This exception applies to entitlement communities that have few, if any, areas within their jurisdiction that have 51% or more LMI residents. These communities are allowed to use a percentage less than 51% to qualify activities under the LMI Benefit category. This exception is referred to as the “exception criteria” or the “upper quartile”.

Millcreek Township meets this “exception criteria”. HUD currently allows Millcreek Township to use 37.18% as the minimum LMI percentage to qualify projects on an area basis.

Concentrations of LMI persons can be determined in one of two ways- HUD Census Data and Income Surveys. **Exhibit 4 (including Map)** identifies the number and percentage of LMI persons in each of the Township’s census tracts and block groups.

If the service/benefit area of a project coincides with a block group or census tract that is = to or > 37.18%, the project would qualify as meeting the LMI national objective and can be funded with CDBG monies.

In those cases where a project’s benefit area is smaller in scope and/or does not coincide with a census area that is = to or > 37.1%, then an income survey would need to be undertaken of the residents who would benefit from the proposed project to determine if the LMI National Objective is met. County Planning must be contacted for assistance in undertaking a survey.

(b) Low Mod Limited Clientele (LMC) – The “limited clientele” category is a second way to qualify specific activities under the LMI National Objective. LMC generally refers to a clientele who are *presumed by HUD to be principally low-to-moderate income persons*. This presumption covers abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers. Activities that would be expected to qualify under the LMI Limited Clientele category include: installation of ADA curb-cut ramps; construction of a senior center; and public services for the homeless and elderly.

(c) Low Mod Housing Activities (LMH) - The “Housing” category of LMI National Objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. The most common LMH activity is single family housing rehabilitation.

Community Need

As a HUD entitlement community, the Township is required to develop a Five Year Consolidated Plan (CP) which identifies the municipality’s housing, community development, and economic development needs along with a strategic plan on how to address these needs.

The Township's most current plan was completed in 2013 and covers Fiscal Years 2013, 2014, 2015, 2016 and 2017. In submitting an application for FY 2017 funding consideration, the applicant should make sure the proposed project addresses a need/objective as identified in the strategic plan, a summary of which is provided as **Exhibit 5**.

SELECTION OF PROJECTS

Funding requests will be reviewed by County Planning for program acceptability and then forwarded to the Township Supervisors who will select the projects to be funded. It is anticipated that the Township will make its decision by the end of March 2017.

A draft Action Plan which provides the public with information on the projects proposed for funding will be available for a 30 day review period followed by a Final Public Hearing.

The ECDP on behalf of the Township will submit the FY 2017 application to HUD by May 17, 2017.

TENTATIVE SCHEDULE

Friday, February 3, 2017	Applications forwarded by e-mail to agencies/organizations
Sunday, February 5, 2017	Notice published in Erie Times News announcing date/time of First Public Hearing
Thursday, February 16, 2017	First Public Hearing
Friday, March 10, 2017	Applications due into ECDP for funding consideration. The ECDP forwards the applications to the Township.
By Wednesday, March 22, 2017	Supervisors decide which projects they would like to see funded.
Monday, March 27, 2017	Notice published in Erie Times News announcing public review /comment period of Draft Action Plan and date/time of Final Public Hearing.
March 29 –April 28, 2017	30 day display/comment period of Draft Action Plan
Week of May 1, 2017	Final Public Hearing
May 9, 2017	Supervisors pass resolution approving application
Wednesday, May 17, 2017	ECDP submits FY 2017 application to HUD for review and approval.
July 1, 2017	Program start date.